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CHILD TAX CREDIT AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill creates a child tax credit.

Highlighted Provisions:

This bill:

- creates a refundable child tax credit; and
- provides for apportionment of the child tax credit.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

ENACTS:

59-10-1102.1, Utah Code Annotated 1953

59-10-1114, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-1102.1** is enacted to read:

59-10-1102.1. Apportionment of tax credit.

A nonresident individual or a part-year resident individual who claims a tax credit in accordance with Section 59-10-1114 may claim only an apportioned amount of the tax credit equal to the product of:

(1) the state income tax percentage for the nonresident individual or the state income tax percentage for the part-year resident individual; and

(2) the amount of the tax credit that the nonresident individual or the part-year resident individual would have been allowed to claim but for the apportionment requirement of this section.

Section 2. Section **59-10-1114** is enacted to read:

59-10-1114. Refundable child tax credit.

(1) As used in this section:

(a) "Federal child tax credit" means the federal child tax credit described in Section 24, Internal Revenue Code, including the refundable portion of the child tax credit.2-6(c)

(b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.

(c) "Qualifying child" means an individual:

(i) with respect to whom the qualifying claimant is allowed to claim a tax credit under Section 24, Internal Revenue Code, on the qualifying claimant's federal individual income tax return for the taxable year; and

(ii) who is younger than six years old on the last day of the claimant's taxable year.

(d) "Qualifying claimant" means a claimant who:

(i) qualifies for and claims the federal child tax credit during the previous taxable year; and

(ii) (A) if the claimant has a filing status other than a joint filing status, has adjusted gross income of $75,000 or less; or

(B) if the claimant has a joint filing status, has adjusted gross income of $85,000 or less.

(2) Subject to Section 59-10-1102.1, a qualifying claimant may claim a refundable child tax credit equal to a percentage of the federal child tax credit that the qualifying claimant was entitled to claim on a federal income tax return in the previous taxable year for each qualifying child as follows:

(a) if the federal child tax credit for the previous taxable year is equal to or greater than the federal child tax credit amount in a taxable year beginning on or after January 1, 2021, and beginning before January 1, 2022, for a child younger than six years old:

(i) for a qualifying claimant with a filing status other than a joint filing status:

(A) whose adjusted gross income is $25,000 or less, 30%;

(B) whose adjusted gross income is more than $25,000 and no more than $50,000, 15%; and

(C) whose adjusted gross income is more than $50,000 and no more than $75,000, 5%; and

(ii) for a qualifying claimant with a joint filing status:

(A) whose adjusted gross income is $35,000 or less, 30%;

(B) whose adjusted gross income is more than $35,000 and no more than $60,000, 15%; and

(C) whose adjusted gross income is more than $60,000 and no more than $85,000, 5%; or

(b) if the federal child tax credit for the previous taxable year is less than the federal child tax credit amount in a taxable year beginning on or after January 1, 2021, and beginning before January 1, 2022, for a child younger than six years old:

(i) for a qualifying claimant with a filing status other than a joint filing status:

(A) whose adjusted gross income is $25,000 or less, 60%;

(B) whose adjusted gross income is more than $25,000 and no more than $50,000, 30%; and

(C) whose adjusted gross income is more than $50,000 and no more than $75,000, 10%; and

(ii) for a qualifying claimant with a joint filing status:

(A) whose adjusted gross income is $35,000 or less, 60%;

(B) whose adjusted gross income is more than $35,000 and no more than $60,000, 30%; and

(C) whose adjusted gross income is more than $60,000 and no more than $85,000, 10%.

Section 3. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2023.